



### ***Taxing for healthcare bad policy***

*By Assemblywoman Audra Strickland*

Gov. Arnold Schwarzenegger needs to be commended for his efforts to address California's healthcare needs. Because of his genuine desire to reduce the number of uninsured people in our state, he has asked for all ideas to be brought to the table.

However, as we chart California's healthcare future, lawmakers must take responsible action to avoid writing a prescription for economic and healthcare disaster. Our actions will significantly impact how every Ventura County family receives medical care.

So far, lawmakers have virtually ignored the impact that our decisions regarding healthcare will have on small businesses and their employees across California. With small businesses employing more than half of our state's work force and most of the uninsured working poor, we must make it easier for them to cover their workers if we are serious about reducing the uninsured population.

Some lawmakers have proposed a new jobs tax on small businesses as their solution for our healthcare woes. California already imposes the second-highest tax in the nation on small businesses, which must also comply with burdensome regulations and the threat of frivolous lawsuits to stay in business. A jobs tax could be the final nail in the coffin, causing businesses to close and thousands to lose their jobs.

A similar plan to tax businesses was already rejected by voters in 2002 when they repealed a Democratic proposal signed by then-Gov. Gray Davis that would have cost more than 70,000 Californians their jobs. Additionally, a federal judge in Maryland recently ruled that requiring businesses to pay a tax for healthcare for their employees violated federal law and was unconstitutional.

As a member of the Assembly Health Committee, I am working closely with my colleagues to ensure quality medical care is more available, affordable and accessible for all Californians. Punishing employers through punitive tax hikes or forcing them to pay for costly new government healthcare schemes will not solve our healthcare challenges.

We can make coverage more affordable by reducing mandates imposed by Sacramento politicians that have driven up costs. Through state tax incentives,

we can reduce out-of-pocket healthcare costs and enable more businesses to offer economical coverage to their workers.

Californians should also be able to shop around and purchase affordable coverage that meets their needs. Options like catastrophic care plans, which provide basic coverage for serious health problems at a reasonable price, are an attractive choice for the young and healthy, and should be readily made available. Another alternative are health savings accounts, which have enabled more businesses to offer coverage to their workers through contributions to tax-free accounts dedicated for the patients' healthcare needs.

With Schwarzenegger's leadership, solving California's healthcare challenges can be accomplished this year. However, we need to ensure that we focus on real solutions to make it easier for employers to provide insurance to their employees and avoid raising taxes on our small businesses that would cause them to lay off employees or close down altogether.

*- Assemblywoman Audra Strickland, R-Moorpark, is a member of the Assembly Health Committee, and represents the 37th Assembly District in the California Legislature.*